

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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DRAFTED BY EB/OT/TA:DGRIMMER:LV

APPROVED BY EB/OT/TA:WGBARRACLOUGH

STR:MPOMERANZ

USDA:JSTARKEY

TREASURY:MCHAVES

EUR/CAN:JROUSE

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R 160109Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

INFO USMISSION GENEVA

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E.O. 11652:N/A

TAGS: ETRD

SUBJECT: CANADIAN IMPORT QUOTAS ON EGGS

REF: STATE 190120

1. AS REQUESTED BY GOC AFTER AUGUST 6 CONSULTATIONS ON EGGS, WE ARE SENDING TEXT OF LETTER WHICH US PLANS TO SUBMIT TO THE GATT CONTRACTING PARTIES FOR A RULING ON THE GATT ISSUES SET OUT IN THE LETTER. EMBASSY SHOULD TRANSMIT BELOW TEXT TO APPROPRIATE GOC OFFICIALS (WE ASSUME BURNS)
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AS SOON AS POSSIBLE. WE HAVE GIVEN TEXT TO CANADIAN EMBASSY

HERE. YOU SHOULD IMPRESS ON CANADIANS OUR DESIRE MOVE ON THIS AS QUICKLY AS POSSIBLE AND HOPE FOR THEIR RESPONSE BY EARLY NEXT WEEK ON WHETHER THEY WILL JOIN WITH US IN THE REQUEST TO GATT.

2. BEGIN TEXT: ON JULY 4 THE CANADIAN GOVERNMENT ANNOUNCED THE IMPOSITION OF GLOBAL IMPORT QUOTAS ON EGGS AND EGG PRODUCTS (L/4207 DATED JULY 23, 1975). THE IMPORT QUOTAS ARE CONSIDERED BY THE CANADIAN GOVERNMENT TO BE AN INTEGRAL PART OF THE SUPPLY MANAGEMENT CONTROL PROGRAM ON EGGS ORGANIZED UNDER THE 1972 FARM PRODUCTS MARKETING AGENCIES ACT. FOR CY 1975 THE QUOTAS WILL LIMIT SHELL EGG IMPORTS TO 54,000 CASES,(1,620,000 DOZEN) POWDERED EGGS TO 843,600 POUNDS (SHELL EGG EQUIVALENT 2,530,800 DOZEN) AND FROZEN EGG PRODUCTS TO 2,168,280 POUNDS (SHELL EGG EQUIVALENT 1,711,800 DOZEN). IMPORTS OF THESE PRODUCTS WILL BE SUBJECT TO INDIVIDUAL IMPORT LICENSE ALLOCATION WITHIN THE QUOTAS AND IMPORT LICENSES WILL BE APPORTIONED TO IMPORTERS BASED ON HISTORICAL PERFORMANCE, WITH A PROVISION TO ACCOMMODATE NEW ENTRANTS.

SINCE THE IMPOSITION OF THE QUOTAS ON JULY 5, THE UNITED STATES AND CANADIAN GOVERNMENTS HAVE HELD BILATERAL CONSULTATIONS ON THE IMPACT OF THESE QUOTAS ON US TRADE INTERESTS. WHILE THESE CONSULTATIONS HAVE BEEN USEFUL AND ARE CONTINUING, THERE IS A DIFFERENCE OF OPINION BETWEEN THE TWO GOVERNMENTS ON WHETHER THE CANADIAN SYSTEM, INCLUDING THE IMPORT QUOTAS PRESENTLY IN FORCE, COMPLIES WITH THE REQUIREMENTS OF GATT ARTICLE XI.

BOTH GOVERNMENTS BELIEVE IT WOULD BE USEFUL IN RESOLVING THIS PROBLEM IF THE GATT ISSUES WERE CLARIFIED BY THE CPS. THEREFORE, WE JOINTLY REQUEST THE CPS TO EXAMINE AND ADVISE ON THE FOLLOWING POINTS AT ISSUE:

1. DOES THE CANADIAN SUPPLY MANAGEMENT SYSTEM ON EGGS CONFORM TO THE REQUIREMENTS OF GATT ARTICLE XI?

2. IS THE BASIS FOR DETERMINING THE IMPORT QUOTAS IN ACCORD WITH THE REQUIREMENTS OF THE LAST PARAGRAPH OF LIMITED OFFICIAL USE

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ARTICLE XI? IN VIEW OF THE IMPORTANCE OF A RULING ON THESE ISSUES TO OUR GOVERNMENTS AND OUR DESIRE TO RESOLVE THIS ISSUE AT THE EARLIEST POSSIBLE DATE, WE BELIEVE A TIMELY RULING BY THE CONTRACTING PARTIES WOULD BE MOST USEFUL. WE REQUEST, THEREFORE, THAT THE COUNCIL MEET AT THE EARLIEST POSSIBLE DATE TO ESTABLISH A WORKING PARTY WITH INSTRUCTIONS TO REPORT ITS FINDINGS TO THE COUNCIL NO LATER THAN DECEMBER 1, 1975.

THE REQUEST IS MADE WITHOUT PREJUDICE AND WITH A
RESERVATION OF ALL GATT RIGHTS INCLUDING NULLIFICATION
AND IMPAIRMENT. END TEXT. SISCO

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: MorefiRH
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Disposition History: n/a
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Margaret P. Grafeld
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